

MARATHWADA REFRACTORIES LIMITED

38th

ANNUAL REPORT

2016-17

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS

Mr. H.S. Girish Gupta
Mr. Ganapathy Venkatesh
Ms. Aparna Goel
Mr. Dig Vijay Singh

BANKERS

Punjab National Bank, Bangalore

AUDITORS

M/s. Guru & Jana, Chartered Accountants,
No. 41, Patalamma Temple Street,
Basavanagudi, Bangalore- 560004

REGISTERED OFFICE

41, Vittal Mallya Road, Bangalore - 560001.
Ph : +91 80 41300000

REGISTRAR AND SHARE TRANSFER AGENT :

M/s. Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai- 400 083.

Marathwada Refractories Limited

(CIN: L26980KA1979PLC061580)

Registered Office : # 41, Vittal Mallya Road, Bangalore - 560001

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Company will be held on ~~Friday~~ the September 29, 2017 at 11.00 AM at the Registered Office of the Company at # 41, Vittal Mallya Road, Bangalore - 560001 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017, together with the Board's and Auditors Reports thereon.
2. To appoint a Director in place of Mr. Ganapathy Venkatesh (DIN: 07207056), who retires by rotation and being eligible has offered himself for reappointment.
3. To ratify the appointment of auditor of the Company.

To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and all other applicable provisions, the appointment of M/s. Guru & Jana, Chartered Accountants, Bangalore (Firm Registration No. 0068265), as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Thirty Ninth Annual General Meeting be and is hereby ratified, at a remuneration to be fixed by the Board of Directors of the Company.

Bangalore
07.09.2017

By order of the Board of Directors

Sd/-
H.S. Girish Gupta
Managing Director
DIN No : 01683190

NOTES :

1. A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Shareholder of the Company. The proxy form must be deposited in original with the Company at its Registered Office at No. 41, Vittal Mallya, Road, Bangalore- 560001, in order to be effective, must be received at the registered office of the company not less than forty-eight hours before the time fixed for the meeting. No photocopy/ scanned copy of a completed proxy form will be accepted.
2. The Register of Shareholders of the Company will remain closed from **24th September 2017 to 30th September, 2017**, both days inclusive;
3. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India, additional information on directors recommended for appointment at the Annual General Meeting and director liable to retire by rotation and seeking re-election are given in the Annexure to this Notice.
4. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in **physical mode** are requested to file a Nomination Form in respect of their shareholdings. Any Shareholder wishing to avail of this facility may submit to the Company's Share Transfer Agent ("STA") or Marathwada Refractories Limited, in the prescribed statutory form SH-13.
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend the meeting on their behalf
6. Shareholders are requested to notify immediately any change in their addresses to the Company's Share Transfer Agent or Marathwada Refractories Limited.
7. A Shareholder or his proxy will be required to produce at the entrance to the meeting hall, the attendance slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated attendance slips will be accepted. However, Shareholders who have received the Annual Report on e-mail can download and print the attendance slip themselves. These should be completed, signed and handed over at the entrance to the meeting hall. The validity of the attendance slip will, however, be subject to the Shareholder continuing to hold equity shares as on the date of the meeting.
8. Shareholders are advised to bring their own copy of the Annual Report along with them for the meeting. Extra copies of the Annual Report will not be available at the meeting.
9. Shareholders, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, circulars etc, from the Company electronically.
10. i) Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Shareholders have been provided e-voting facility to exercise their right to vote at the General Meeting by electronic means. The Company is offering e-voting option to all the Shareholders. For this purpose, the Company has signed an Agreement with Central Depository Services Limited ("CDSL") for facilitating e-voting to enable Shareholders to cast their votes for all the items of business in the notice electronically.
 ii) The facility of ballot paper voting shall be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting. For abundant clarity, in the event of poll, please note that the Shareholders who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. The poll process shall be conducted and the consolidated scrutinizer report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. Swaroop S, practicing Company Secretary (C P No- 9997) has been appointed as scrutinizer in this regard.
11. The members who have cast their vote electronically prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 1. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut of date i.e **22nd September, 2017**. A person,

whose name is recorded in the register of members or in the register of beneficial owners maintained by depositories as on the cutoff date i.e 22nd September, 2017 only, shall be entitled to avail the facility of e-voting/ ballot voting.

2. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **September 26, 2017 at 9.00 AM** and ends on **September 28, 2017 at 5.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 22, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares In Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>✦ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>✦ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>✦ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <MARATHWADAREFRATORIES LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for

voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- ❖ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

(xxi) In case of joint shareholders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

By order of the Board of Directors

Bangalore
01.09.2017

Sd/-
H.S. Girish Gupta
Managing Director
DIN No. : 01683190

MARATHWADA REFRACTORIES LIMITED

BOARDS' REPORT

To,
The Members,
 Marathwada Refractories Limited

Your Directors have pleasure in presenting the Thirty Eighth Annual Report of your Company together with audited statement of Accounts and the Auditor's Report in respect of the year ended March 31, 2017.

Financial Highlights

The financial results for the year ended 31st March, 2017 and the corresponding figures for the last year are as under :

Particulars	2016-2017	2015-2016
Gross Income	11,34,107	12,44,085
Profit Before Interest and Depreciation	1,28,782	19,544
Finance Charges	414	68
Gross Profit	1,28,368	19,476
Provision for Depreciation	-	-
Net Profit Before Tax	1,28,368	19,476
Income Tax- current year	38,216	5,318
Deferred Tax	766	699
Net Profit After Tax	89,386	13,459

Reserves & Surplus

As the Company has earned a profit of Rs. 89,386/- for the year, the entire amount is proposed to be transferred to the Reserve.

Performance:

During the year under consideration the company has earned income mainly from interest as it has already closed manufacturing operations. The Company is in the process of identifying business opportunities.

The annexed Management Discussion and Analysis forms a part of this report of the Company during the financial year 2016-2017.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is attached:

- * The report on Corporate Governance in accordance with Regulation 34(3) read with Schedule V of the said Regulations along with the auditor's certificate

Dividend:

The Board of Directors has not recommended any dividend for the year under review.

Events Subsequent to the date of Financial Statements

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

Directors :

The Board was duly constituted during the year under review.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Key Managerial personnel

During the year under review, in accordance with Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Juhie Sinha an associate member of the Institute of Company Secretaries of India, was appointed as Company Secretary and Compliance Officer of the Company with effect from March 31, 2017.

Board Meetings

During the year, the Board met Five times during the financial year, the details of which are given in the Report on Corporate Governance.

In accordance with Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, one separate meeting was held by the independent directors of the Company as mentioned in the Report on Corporate Governance.

Audit Committee

An Independent Audit Committee in line with the SEBI (LODR) 2015 and Companies Act, 2013 was set up by the Company. Since, the constitution of the Committee is in line with the requirements under Section 177 of the Companies Act, 2013 as well, no changes were required to be made to the Committee structure during the year.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- * efficiency and effectiveness of operations;
- * safeguarding of assets and adequacy of provisions for all liabilities;
- * reliability of financial and other management information and adequacy of disclosures;
- * compliance with all relevant statutes.

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting.

During the year 2016-17, the Audit Committee met on five occasions i.e. May 30, 2016; August 12, 2016; November 14, 2016; February 11, 2017 and March 31, 2017. The necessary quorum was present in all the meetings.

Present composition of the Audit Committee is as under:

- | | | |
|----------------------------|---|------------------------------------|
| 1. Mr. Dig Vijay Singh | - | Independent Director & Chairperson |
| 2. Mr. Ganapathy Venkatesh | - | Director & Member |
| 3. Ms. Aparna Goel | - | Independent Director & Member |

Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Board comprises of three Directors. During the year 2016-17, the Nomination and Remuneration Committee met on three occasions i.e. on August 12, 2016; November 14, 2016 & March 31, 2017. The Committee has in place a Nomination and Remuneration policy in line with the requirements under the Companies Act, 2013 and under the SEBI (LODR) 2015.

Present composition of the Nomination & Remuneration Committee is as under:

- | | | |
|----------------------------|---|------------------------------------|
| 1. Mrs. Aparna Goel | - | Independent Director & Chairperson |
| 2. Mr. Ganapathy Venkatesh | - | Director & Member |
| 3. Mr. Dig Vijay Singh | - | Independent Director & Member |

Stakeholders' Relationship Committee

The Company has a Stakeholders Relationship Committee of Directors in place. The Committee looks into redressing of shareholder and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and related matters.

Present composition of the Stakeholders' Relationship Committee is as under:

- | | | |
|----------------------------|---|------------------------------------|
| 1. Mrs. Aparna Goel | - | Independent Director & Chairperson |
| 2. Mr. Ganapathy Venkatesh | - | Director & Member |
| 3. Mr. Dig Vijay Singh | - | Independent Director & Member |

During the financial year, the Stakeholders' Relationship Committee met 1 (One) time, the details of which are given in the Report on Corporate Governance.

Company's Policy on Directors' Appointment and Remuneration and Senior Management Appointment and Remuneration.

The policies of the Company on Directors' Appointment and Remuneration and Senior Management Personnel Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013 are enclosed as Annexure 1 and 2 and forms part of this report. There has been no change in the policy since the last financial year.

Remuneration Details of Directors/ Key Managerial Personnel (KMP) and Employees

None of the Directors, Key Managerial Personnel and Employees are covered under Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Board Evaluation

Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 mandates the performance evaluation of independent directors by the entire board of directors. Whereas, Regulation 25(4) of the said regulations mandated performance review of non-independent directors and the Board as a whole by the independent directors.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees, individual directors, key managerial personnel etc. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire board of directors excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board at its meeting held on November 11, 2015 has adopted a policy on performance evaluation as recommended by the Nomination and Remuneration Policy.

The Nomination and Remuneration Committee carried out the performance evaluation of individual director. Accordingly, the performance evaluation of all independent directors was done by the entire board of directors excluding the director being evaluated. The performance evaluation of non-independent directors was carried out by the independent directors. Thereafter, the Board as a whole analyzed its own performance, its committees and approved the evaluation results as collated by the Nomination and Remuneration Committee.

The performance evaluation was done based on some assessment criteria such as attendance and participations in meetings, objective evaluation and updation of skills etc. Based on assessment criteria a rating scale of 1 to 5 was assigned to each director.

Statutory Auditors

At the Annual General Meeting of the Company held on September 23, 2014 M/s. Guru & Jana, Chartered Accountants (Firm Registration Number 0068265) were re-appointed as the Statutory Auditors of the Company for a period of 3 years (re-appointment from the conclusion of the 35th Annual General Meeting till the conclusion of the 38th Annual General Meeting) which is subject to annual ratification by the members of the Company in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Board has proposed their continuance as Statutory Auditors of the Company from the conclusion of 38th Annual General Meeting till the conclusion of 40th Annual General Meeting. The members may ratify the appointment of M/s Guru & Jana as the Statutory Auditors of the Company for the financial year 2017-18.

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors.

Internal Auditors

In accordance with Section 138 of the Companies Act, 2013 read with Rule 13 of Chapter IX of the said Act, the Board appointed M/s B.S.Venkatachalapathy & Co., Chartered Accountants, Bangalore (Firm Registration No. 0130375) as Internal Auditor of the Company for the Financial Year 2017-18 to conduct internal audit.

Secretarial Audit

The Secretarial Audit Report for the year ended March 31, 2017 issued by Mr. Rafeeulla Shariff, Practicing Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013. Secretarial Auditor's report forms part of the Annual Report.

There are certain observations or remarks in the Secretarial Audit Report and which are replied by the Board as follows

In respect of the comments of the Secretarial Auditors on the appointment of Chief Financial officer as Key Managerial Personnel of the Company pursuant to the provisions of section 203 of the Companies Act, 2013, the Company had taken steps to recruit the Chief Financial officer, however, the Company have not found suitable candidates for appointment, but the Company is in the process of appointing the Chief Financial Officer.

Significant and Material orders, if any

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

Related Party transactions

During the year, the Company has not entered into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. The related party transactions undertaken during the financial year 2016-17 are at arm's length basis and in the ordinary course of business as detailed in Notes to Accounts of the Financial Statements.

Loan, Guarantees or Investments

During the year under review, no loans given, investment made, guarantees given by the Company

Public Deposits :

During the year, the Company has not accepted any deposits.

Subsidiary/Joint Ventures/Associate Companies

The Company has no Subsidiary/Joint Venture/Associate Companies.

Risk management policy

Since the Company has already closed its manufacturing operations and is in the process of identifying business opportunities, the Company has no such policy in place as of now. As and when the Company will resume its operations, the Company shall formulate a risk management policy.

Vigil Mechanism/Whistle Blower Policy

In accordance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (previously clause 49(II)(F) of the listing agreement) the Company has in place a Whistle Blower Policy for its directors and employees to report concerns about unethical behavior, actual or suspected fraud. The policy provides for protected disclosures which can be made by a complainant through e-mail or a letter to the Chairperson of the audit committee. The Company did not receive any complain during the year 2016-17.